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GRAVITY DRAINAGE DISTRICT NO. ONE
OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 5-17-06

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JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA
 1904-1984

Retired

Harold Dupre, CPA
 1996
 John Newton Stout, CPA
 1998
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
 2003

INDEPENDENT AUDITOR'S REPORT

The Board of Commissioners
 Gravity Drainage District No. One of
 Ward Two of St. Landry Parish
 Sunset, Louisiana

We have audited the accompanying financial statements of the governmental activities of Gravity Drainage District No. One of Ward Two of St. Landry Parish, Sunset, Louisiana, a component unit of the St. Landry Parish Government, as of December 31, 2005, and for the year then ended, which collectively comprise the District's financial statements as listed in the table of contents. These financial statements are the responsibility of the Gravity Drainage District No. One of Ward Two of St. Landry Parish's management. Our responsibility is to express our opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Nonprofit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the governmental activities of Gravity Drainage District No. One of Ward Two of St. Landry Parish, as of December 31, 2005, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note (6) to the financial statements, the District has implemented a new financial reporting model as required by the provisions of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, as of December 31, 2005.

The District has not presented management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of the basic financial statements.

Gravity Drainage District No. One of
Ward Two of St. Landry Parish
Sunset, Louisiana
Page 2

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Gravity Drainage District No. One of Ward Two of St. Landry Parish's basic financial statements. The other supplementary information listed in the table of contents for the year ended December 31, 2005, is presented for purposes of additional analysis and is not a required part of the financial statements of the Gravity Drainage District No. One of Ward Two of St. Landry Parish. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John S. Dowling & Company

Opelousas, Louisiana
February 8, 2006

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

GRAVITY DRAINAGE DISTRICT NO ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
STATEMENT OF NET ASSETS
DECEMBER 31, 2005

<u>ASSETS</u>	<u>GOVERNMENTAL ACTIVITIES</u>
Cash	\$23,013
Investments	450,037
Receivables	
Property taxes (net of allowances for uncollectibles)	123,265
State revenue sharing	11,290
Accrued interest receivable	438
<u>Total assets</u>	<u>608,043</u>
 <u>LIABILITIES</u>	
<u>Total liabilities</u>	<u>-0-</u>
 <u>NET ASSETS</u>	
Unrestricted	\$608,043
<u>Total net assets</u>	<u>608,043</u>

The accompanying notes are an integral part of the basic financial statements.

GRAVITY DRAINAGE DISTRICT NO ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
STATEMENT OF ACTIVITIES
DECEMBER 31, 2005

	<u>NET (EXPENSES)</u> <u>REVENUES AND</u> <u>CHANGES IN</u> <u>NET ASSETS</u> <u>GOVERNMENTAL</u> <u>ACTIVITIES</u>
<u>FUNCTIONS/PROGRAMS</u>	
<u>EXPENSES</u>	
<u>Governmental Activities</u>	
Public works	\$(196,228)
Penalty on early withdrawal of CD	(1,487)
<u>Total governmental activities</u>	<u>(197,715)</u>
<u>General Revenues</u>	
Taxes	
Property	130,231
Intergovernmental	
State revenue sharing	16,927
Interest on property taxes	388
Investment earnings	14,637
<u>Total general revenues</u>	<u>162,183</u>
<u>Changes in net assets</u>	<u>(35,532)</u>
Net assets - January 1, 2005	<u>643,575</u>
Net assets - December 31, 2005	<u>608,043</u>

The accompanying notes are an integral part of the basic financial statements.

FUND FINANCIAL STATEMENTS

GRAVITY DRAINAGE DISTRICT NO ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
BALANCE SHEET
GENERAL FUND
DECEMBER 31, 2005

ASSETS

Cash	\$23,013
Investments	450,037
Property taxes receivable (net)	123,265
Revenue sharing receivable	11,290
Accrued interest receivable	<u>438</u>
<u>Total assets</u>	<u>608,043</u>

LIABILITIES AND FUND EQUITY

LIABILITIES

<u>Total liabilities</u>	<u>-0-</u>
--------------------------	------------

FUND EQUITY

Fund balance	
Unreserved, undesignated	\$608,043
<u>Total fund balance</u>	<u>608,043</u>
<u>Total liabilities and fund equity</u>	<u>608,043</u>

The accompanying notes are an integral part of the basic financial statements.

GRAVITY DRAINAGE DISTRICT NO ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
RECONCILIATION OF THE GOVERNMENTAL FUND'S BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
DECEMBER 31, 2005

Total fund balance for the governmental fund at December 31, 2005	<u>\$608,043</u>
Net assets at December 31, 2005	<u>608,043</u>

The accompanying notes are an integral part of the basic financial statements.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

REVENUES

Taxes	
Property taxes	\$130,231
Intergovernmental	
State revenue sharing	16,927
Interest	
On property taxes	388
On investments	14,637
<u>Total revenues</u>	<u>162,183</u>

EXPENDITURES

Current operating	
General and administrative	
Accounting	3,950
Office expense	596
Per diem	12,500
Bank charges	216
Travel	286
Meeting expense	29
Penalty on early withdrawal of CD	1,487
Drainage	
Maintenance	177,335
Soil conservation fees	1,000
Engineering expense	316
<u>Total expenditures</u>	<u>197,715</u>

EXCESS OF REVENUES UNDER EXPENDITURES (35,532)

FUND BALANCE, beginning of year 643,575

FUND BALANCE, end of year 608,043

The accompanying notes are an integral part of the basic financial statements.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2005

Total net change in fund balance for the
year ended December 31, 2005 per Statement
of Revenues, Expenditures and Changes in
Fund Balance

\$ (35,532)

Total change in net assets for the year
ended December 31, 2005 per Statement
of Activities

(35,532)

The accompanying notes are an integral part of the basic financial statements.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Gravity Drainage District No. One of Ward Two of St. Landry Parish, Sunset, Louisiana, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. GAAP includes all relevant Governmental Accounting Standards Board (GASB) pronouncements. For the fiscal year ended December 31, 2005, Gravity Drainage District No. One of Ward Two of St. Landry Parish, Sunset, Louisiana, implemented the new financial reporting requirements of GASB Statement Nos. 33 and 34. As a result, an entirely new financial presentation format has been implemented. The accounting and reporting framework and the more significant accounting policies are discussed in the subsequent subsection of this note.

The following is a summary of certain significant accounting policies and practices of the District.

A. FINANCIAL REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the St. Landry Parish Government is the financial reporting entity for St. Landry Parish. The financial reporting entity consists of (a) the primary government (parish government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the St. Landry Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the parish government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the parish government.
2. Organizations for which the parish government does not appoint a voting majority but are fiscally dependent on the parish government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the Parish Government appoints the five commissioners of Gravity Drainage District No. One of Ward Two, and thus has the ability to impose its will on the Drainage District, the District was determined to be a component unit of the St. Landry Parish Government, the financial reporting entity. The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Parish Government, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. BASIS OF PRESENTATION

Government-wide Financial Statements (GWFS). The Statement of Net Assets and the Statement of Activities display information on all of the nonfiduciary activities of Gravity Drainage District No. One of Ward Two, as a whole. They include all funds of the reporting entity. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the program, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements. The accounts of the District are organized and operated on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The funds of the District are classified into one category - governmental. The emphasis on fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

1. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
2. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The District reports the following major governmental funds:

Governmental Fund

General Fund. The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2004

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

C. MEASUREMENT FOCUS/BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, governmental activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

- a. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on the balance sheet. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. The proprietary fund utilizes an "economic resources" measurement focus. The accounting objective of this measurement focus is the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary fund equity is classified as net assets.

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures (including capital outlay) generally are recorded when a liability is incurred, as under accrual accounting.

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Louisiana are recognized when susceptible to accrual. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Basis Of Accounting - Continued

Purchase of various operating supplies are regarded as expenditures at the time purchased. The costs of governmental fund type inventories are recorded as expenditures when purchased and items on hand at year-end, if material, are recorded as assets. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

D. BUDGETS

The District adopted a 2005 budget for the General Fund in December, 2004. The 2005 budget for the General Fund was later amended in December, 2005.

E. ENCUMBRANCES

The District does not employ the encumbrance system of accounting.

F. INVESTMENTS IN CASH

Investments are stated at cost or amortized cost, which approximates market.

Louisiana statutes authorize the District to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investment.

G. FIXED ASSETS AND LONG-TERM DEBT

Prior to GASB No. 34, governments were not required to report public domain (infrastructure) general fixed assets. Although now required to capitalize infrastructure, the District, due to the nature of its operations, did not have infrastructure expenditures. Also, interest costs during construction are not capitalized.

H. COMPARATIVE DATA

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data has not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

NOTE (2) - CASH AND INVESTMENTS

At December 31, 2005, the bank balance of cash in interest-bearing checking account and certificates of deposit was \$23,013. The cash and investments are fully secured by federal depository insurance and/or by collateral pledged by the banks in the District's name.

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE (3) - AD VALOREM TAXES

The District's ad valorem property tax is levied each October 1 on the assessed value listed as of the prior January 1 for all real and business personal property located in the District. Property taxes are due on October 1 and become delinquent by January 1 of the following year. The St. Landry Parish Sheriff bills, collects, and distributes the property taxes for the District using the assessed values determined by the Tax Assessor of St. Landry Parish.

The District was required to remit 3.06% in 2005 of their total ad valorem taxes per the tax roll to the Pension Fund. This amount is determined by the Legislative Auditor each year. Since the Sheriff collects all taxes for the parish, the tax collected in the first month is reduced by the Sheriff for the Pension Fund amount owed and the remainder is remitted to the taxing district. Therefore, the ad valorem tax receivable and revenue are shown net of Pension Fund distributions. A breakdown of tax receivable is as follows:

	<u>Total Per</u>	<u>Pension Fund</u>	<u>Allowance for</u>	<u>Tax Received</u>	<u>Tax</u>
	<u>Tax Roll</u>	<u>Requirements</u>	<u>Uncollectible</u>	<u>in December</u>	<u>Receivable</u>
			<u>Taxes</u>		
2005	\$130,967	\$(4,173)	\$(3,529)	-0-	\$123,265

An estimated allowance for uncollectible property tax has been set up based on prior years' experience.

NOTE (4) - FUND BALANCE

The General Fund does not have a deficit fund balance for the year ended December 31, 2005.

NOTE (5) - PER DIEM

A schedule of per diem paid to the board members is presented below:

	<u>Per</u>
	<u>Diem</u>
<u>Governing Board Members</u>	
Antoine Bajat, Jr.	\$2,500
Jake Benoit	2,500
Samuel P. Henry	2,500
A. F. "Pete" Olivier	2,500
Allen Brasseaux	2,500
	<u>12,500</u>

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE (6) - CHANGE IN ACCOUNTING PRINCIPLES

For the year ended December 31, 2005, the District has implemented GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. GASB Statement No. 34 creates new basic financial statements for reporting on the District's financial activities. The financial statements now include government-wide financial statements prepared on the accrual basis of accounting, and fund financial statements which present information for individual major funds rather than by fund type which has been the mode of presentation in previously issued financial statements. The District also implemented GASB Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions, No. 37, Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments: Omnibus, No. 38, Certain Financial Statement Note Disclosures, and Interpretation No. 6, Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements. At December 31, 2005, there was no effect on fund balance as a result of implementation of GASB Statement No. 33.

REQUIRED SUPPLEMENTARY INFORMATION

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2005

	2005			VARIANCE	2004
	BUDGET			FAVORABLE	
	ORIGINAL	FINAL	ACTUAL	(UNFAVORABLE)	ACTUAL
<u>REVENUES</u>					
Taxes					
Property taxes	\$100,000	\$110,000	\$130,231	\$20,231	\$101,530
Intergovernmental					
State revenue sharing	18,000	17,200	16,927	(273)	16,652
Interest					
On property taxes	500	400	388	(12)	558
On investments	9,000	14,000	14,637	637	10,690
Miscellaneous					
Watershed project					8,861
Total revenues	127,500	141,600	162,183	20,583	138,291
<u>EXPENDITURES</u>					
Current operating					
General and administrative					
Accounting	4,800	4,800	3,950	850	4,285
Advertising					31
Office expense	700	700	596	104	540
Per diem	12,000	13,000	12,500	500	12,000
Travel		400	286	114	
Telephone	100	100		100	
Bank charges			216	(216)	214
Insurance	300	200		200	270
Penalty on early withdrawal of CD			1,487	(1,487)	
Meals and entertainment			29	(29)	124
Miscellaneous	100	100		100	66
Drainage					
Maintenance	101,000	203,000	177,335	25,665	96,598
Soil conservation fees	1,000	1,000	1,000		1,000
Engineering fees	1,000	500	316	184	351
Total expenditures	121,000	223,800	197,715	26,085	115,479
<u>EXCESS OF REVENUES OVER</u>					
<u>(UNDER) EXPENDITURES</u>	6,500	(82,200)	(35,532)	46,668	22,812
<u>FUND BALANCE, beginning of year</u>			643,575		620,763
<u>FUND BALANCE, end of year</u>			608,043		643,575

RELATED REPORT

Russell J. Stelly, CPA
 Chizal S. Fontenot, CPA
 James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Michael A. Roy, CPA
 Lisa Trouille Manuel, CPA

Dana D. Quebedeaux, CPA



JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA
 1904-1984

Retired

Harold Dupre, CPA
 1996
 John Newton Stout, CPA
 1998
 Dwight Ledoux, CPA
 1998
 Joel Lanclos, Jr., CPA
 2003

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

The Board of Commissioners
 Gravity Drainage District No. One of
 Ward Two of St. Landry Parish
 Sunset, Louisiana

We have audited the financial statements of Gravity Drainage District No. One of Ward Two of St. Landry Parish, as of and for the year ended December 31, 2005, which collectively comprise the District's financial statements and have issued our report thereon dated February 8, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Gravity Drainage District No. One of Ward Two of St. Landry Parish's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Gravity Drainage District No. One of Ward Two of St. Landry Parish's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance and other matters that are required to be reported under Government Auditing Standards.

The Board of Commissioners
Gravity Drainage District No. One of
Ward Two of St. Landry Parish
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This report is intended solely for the information and use of Gravity Drainage District No. One of Ward Two of St. Landry Parish, its Commissioners and the appropriate regulatory agency and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

John S. Dowling & Company

Opelousas, Louisiana
February 8, 2006

OTHER SUPPLEMENTARY INFORMATION

GRAVITY DRAINAGE DISTRICT NO. ONE OF WARD TWO OF ST. LANDRY PARISH
SUNSET, LOUISIANA
SUMMARY OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005

No prior year findings.